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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	January 31, 2007
Estimated average burden hours per response.....	12.00

## ANNUAL AUDITED REPORT

FORM X-17A-5

PART III

NOV 26 2008

SEC FILE NUMBER
816522

FACING PAGE

Washington, DC

110

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING 10/01/07 AND ENDING 09/30/08  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: GREMO INVESTMENTS, INC.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY

FIRM I.D. NO.

2724 PLANTER ROAD

(No. and Street)

NORTH AURORA

(City)

IL

(State)

60542

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

MAURICE W. BIRT

(Name - if individual, state last, first, middle name)

1051 PERIMETER DRIVE, SUITE 400 SCHAMBURG IL

(Address)

(City)

(State)

60173

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

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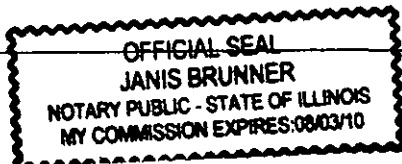
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

## OATH OR AFFIRMATION

I, Edward J GROMO JR, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GROMO INVESTMENTS, INC, as of SEPT 30, 2008, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Edward J Gromo Jr  
Signature

PRESIDENT  
Title

Janis Brunner  
Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**GREMO INVESTMENTS, INC.**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2008**

*Apple Accounting & Financial Services, LLC*  
*Certified Public Accountants*

# GREMO INVESTMENTS, INC.

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**Apple Accounting & Financial Services  
Certified Public Accountants**

**1051 Perimeter Drive, Suite 400**

**Schaumburg, IL 60173**

**Telephone: 630-766-9401**

**Telefax: 630-766-9403**

**Email: mbirt@appletaxes.com**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Gremo Investments, Inc.  
2724 Plante Road  
North Aurora, IL 60542

We have audited the accompanying consolidated statement of financial condition of Gremo Investments, Inc. as of September 30, 2008 and the related consolidated statements of income, changes in stockholders' equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the period then ended that you are filing pursuant to rule 17a-5 under Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Gremo Investments, Inc. at September 30, 2008, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our Audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, III, and IV is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Apple Financial Services, LLC  
Certified Public Accountants

November 17, 2008

**Gremo Investments, Inc.**  
**STATEMENT OF FINANCIAL CONDITION**  
**As of September 30, 2008**

	<u>Sep 30, 08</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Charter One Bank	1,726
Charter One Bank MM	3,653
Harris Bank	<u>10,489</u>
<b>Total Checking/Savings</b>	<u>15,868</u>
<b>Total Current Assets</b>	<u>15,868</u>
<b>TOTAL ASSETS</b>	<u><u>15,868</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Equity</b>	
Capital Stock	1,000
Retained Earnings	12,718
Net Income	<u>2,150</u>
<b>Total Equity</b>	<u>15,868</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>15,868</u></u>

**Gremo Investments, Inc.**  
**STATEMENT OF OPERATIONS**  
**Through September 2008**

	<u>Oct 07 - Sep 08</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Commission income	10,864
<b>Total Income</b>	<u>10,864</u>
<b>Expense</b>	
Bank Service Charges	10
Commission	6,074
Corperations Annual Report	105
Dues and Subscriptions	225
Licenses and Permits	1,395
Professional Development	225
Professional Fees - Accounting	500
State Taxes	585
<b>Total Expense</b>	<u>9,119</u>
<b>Net Ordinary Income</b>	1,745
<b>Other Income/Expense</b>	
<b>Other Income</b>	
Other Income	405
<b>Total Other Income</b>	<u>405</u>
<b>Net Other Income</b>	<u>405</u>
<b>Net Income</b>	<u><u>2,150</u></u>

**Gremo Investments, Inc.**  
**STATEMENT OF CASH FLOWS**  
**Through September 2008**

	<u>Oct 07 - Sep 08</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	<u>2,150</u>
Net cash provided by Operating Activities	2,150
<b>FINANCING ACTIVITIES</b>	
Capital Stock	0
Dividends	-22,789
Retained Earnings	<u>0</u>
Net cash provided by Financing Activities	<u>-22,789</u>
 Net cash increase/decrease for period	 -20,639
 Cash at beginning of period	 <u>36,507</u>
Cash at end of period	<u><u>15,868</u></u>



**Gremo Investments, Inc.**  
**STATEMENT OF CHANGES IN OWNERSHIP EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2008**

1.	Total ownership equity as previously reported	36,506
2.	Net income (loss) for the period	2,150
3.	Other additions to capital	-0-
4.	Dividends	(22,789)
5.	Other deductions from capital (rounding)	<u>1</u>
6.	Balance	<u><u>15,868</u></u>

**Gremo Investments, Inc.**  
**STATEMENT OF THE COMPUTATION**  
**OF THE MINIMUM CAPITAL REQUIREMENTS**  
**AS OF SEPTEMBER 30, 2008**

**Net Capital**

1.	Total Ownership Equity	15,868
2.	Deduct: Not allowable Net Capital	<u>(450)</u>
3.	Net capital	15,418

**Charges Against Net Capital** -0-

**Net Capital Computation**

10.	Adjusted net capital	15,418
12.	Minimum Net capital required	<u>( 5,000)</u>
14.	Excess net capital	<u><u>10,418</u></u>

**Gremo Investments, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Corporation is engaged in business of providing financial consulting services to clients. An analysis is done of each individual investor to determine the financial needs. Any investments made by clients are placed directly with various mutual fund companies. No customer money is handled directly by Gremo Investments, Inc. or any of its representatives.

**Basis of Accounting**

The Corporation uses the accrual basis of accounting for financial statement reporting purposes, which recognizes income when earned and expenses when incurred.

The Corporation uses the cash basis of accounting for income tax reporting purposes, which recognizes income when cash is received and expenses and assets when cash is paid.

**Income Taxes**

The Corporation, with the consent of its shareholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements.

**Gremo Investments, Inc.**  
**SCHEDULE OF THE COMPUTATION OF NET CAPITAL**  
**PURSUANT TO RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION**  
**September 30, 2008**

	<u>Sep 30, 08</u>
Total Members Equity	15,868
Deductions and/or Charges	<u>(450)</u>
Net Capital	15,418
Aggregate Indebtedness	-
Ratio: Aggregate indebtedness to Net Capital	0%
Computation of Basic Net Capital Requirement	
Minimum Net Capital Required to be Maintained	5,000
Net Capital	<u>10,418</u>
Excess Net Capital	<u><u>10,418</u></u>

There are no material differences between the amounts presented above and the amounts as reported in the Company's unaudited FOCUS Report as of September 30, 2008. Therefore, a reconciliation is not provided.

**Apple Accounting & Financial Services  
Certified Public Accountants**

**1051 Perimeter Drive, Suite 400**

**Schaumburg, IL 60173**

**Telephone: 630-766-9401**

**Fax: 630-766-9403**

**Email: mbirt@appletaxes.com**

To the Board of Directors  
Gremo Investments, Inc.  
14156 S Cicero Ave  
Crestwood, IL 60445

In planning and performing our audit of the financial statements of Gremo Investments, Inc. (the Company), for the period ended September 30, 2008, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of compliance with such practices and procedures that we considered relevant to the objective stated in rule 17a-5(g), in the following:

1. Making the periodic computation of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e)
2. Making the quarterly securities examinations, counts, verifications, and comparison, and the recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.
4. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control and of the practices and procedures, and to assess whether those practices and procedures can be expected to achieve the Securities and Exchange Commission's and the Commodity Futures Trading Commission's (the "Commissions") above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the

Company has responsibility are safeguarded against loss from unauthorized acquisition, use, or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) and Regulation 1.16(d)(2) list additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control or the practices and procedures referred to above, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal control or of such practices and procedures to future periods are subject to the risk that they may become inadequate because of changes in conditions or that the degree of compliance with the practices or procedures may deteriorate.

Our consideration of the Company's internal control would not necessarily disclose all matters in the Company's internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the Company's internal control and its operation, including control activities for safeguarding securities that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commissions to be adequate for their purposes in accordance with the Securities Exchange Act of 1934, the Commodity Exchange Act and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at September 30, 2008, to meet the Commissions' objectives.

This report is intended solely for the information and use of the board of directors, management, the Securities and Exchange Commission, the New York Stock Exchange, Inc., the National Association of Securities Dealers, Inc., the Commodity Futures Trading Commission, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 or Regulation 1.16 under the Commodity Exchange Act in their regulation of registered brokers and dealers and futures commission merchants, and is not intended to be and should not be used by anyone other than these specified parties.

Apple Financial Services, LLC  
Certified Public Accountants

November 17, 2008

**Gremo Investments, Inc.**  
**2724 Plante Road**  
**North Aurora, IL 60542**

November 17, 2008

Apple Accounting and Financial Services, LLC.  
Certified Public Accountants  
1051 Perimeter Dr Ste 400  
Schaumburg, IL 60173-5853

In connection with your audit of the financial statements of Gremo Investments, Inc. as of September 30, 2008, and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the assets, liabilities, stockholder's equity, revenue and expenses of Investors Referral Service, Inc., we confirm, to the best of our knowledge and belief, the representations made to you during your audit.

1. We are responsible for the fair presentation in the financial statements of assets, liabilities, stockholder's equity, revenue and expenses. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.
2. We have made available to you all:
  - a. Financial records and related data.
  - b. Minutes of the meetings of stockholders, directors, and committees of directors, or summaries of action of recent meetings for which minutes have not yet been prepared.
3. There have been no:
  - a. Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant roles in internal control.
  - b. Fraudulent financial reporting or misappropriation of assets involving other employees that could have a material effect on the financial statements.
  - c. Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices
4. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
5. The following have been properly recorded or disclosed in the financial statements:
  - a. Related party transactions and related accounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees.
  - b. Guarantees, whether written or oral, under which the company is liable.
  - c. Capital stock repurchase options or agreements or capital stock reserved for options, warrants, conversions, or other requirements.
  - d. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
  - e. Agreements to repurchase assets previously sold.

6. There are no:

- a. Violations or possible violations of laws or regulations whose effect should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by Statement of Financial Accounting Standards No. 5.
7. There are no unasserted claims or assessments that our lawyer had advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No. 5.
  8. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
  9. Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.
  10. The company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged.
  11. Provision has been made for any material loss to be sustained in the fulfillment of, or from inability to fulfill, any sales commitments.
  12. Provision has been made for any material loss to be sustained as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices.
  13. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
  14. We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
  15. There are no such estimates that may be subject to material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements.
  16. No events have occurred subsequent to the balance sheet date that would require adjustments to, or disclosure in, the financial statements.

Edward J. Smith COO  
Signature

PRESIDENT  
Title

**END**